

STATE CORPORATION COMMISSION

AT RICHMOND, MAY 29, 2020

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APPLICATION OF

ROANOKE GAS COMPANY

CASE NO. PUR-2020-00090

For modification to its SAVE Plan and Rider and
to implement a 2021 SAVE Projected Factor Rate
and True-Up Factor Rate

ORDER FOR NOTICE AND COMMENT

On May 15, 2020, Roanoke Gas Company ("Roanoke Gas" or the "Company") filed an application ("Application") pursuant to § 56-603 *et seq.* of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy ("SAVE") Plan Act, and in accordance with the State Corporation Commission's ("Commission") August 29, 2012 Order Approving SAVE Plan and Rider in Case No. PUE-2012-00030,¹ as modified in subsequent SAVE cases. Roanoke Gas's Application seeks approval to modify its SAVE Plan, and approval of its proposed SAVE Rider, to be effective October 1, 2020, through September 30, 2021 ("2021 SAVE Year"), to permit the Company to recover the costs of its planned investments in the 2021 SAVE Year ("2021 Projected Factor") and to refund the over-collection of costs related to its 2019 SAVE projects ("2021 True-Up Factor") that occurred January 1, 2019, through September 30, 2019 ("2019 SAVE Year").² Roanoke Gas requests that the Commission approve modification of its SAVE

¹ *Application of Roanoke Gas Company, For approval of a SAVE Plan and Rider pursuant to Virginia Code § 56- 603 et seq.*, Case No. PUE-2012-00030, 2012 S.C.C. Ann. Rept. 422, Order Approving SAVE Plan and Rider (Aug. 28, 2012).

² Application at 1.

Plan to include the renewal of certain regulator stations and the renewal of pre-1971 coated steel mains and coated steel services.³

In its Application, the Company explains that, in Case No. PUR-2018-00102, the Commission approved the Company's request to change its SAVE Plan Year from a calendar year to match the Company's fiscal year, which runs from October 1 through September 30 of each year.⁴ In order for the Company to transition to a fiscal year SAVE Plan Year, the Commission approved the Company's request to shorten its 2019 SAVE Year from calendar year 2019 to the nine-month period beginning January 1, 2019, and ending September 30, 2019. Per Roanoke Gas, the 2021 True-Up Factor requested in this Application covers that nine-month period and will true-up any difference in the revenues collected through the 2019 Projected Factor and the actual costs associated with the 2019 SAVE projects.⁵

According to the documents and workpapers submitted by the Company, the 2021 Projected Factor is designed to recover the costs, as defined by § 56-603 of the Code, of eligible infrastructure replacement projects that will occur during the 2021 SAVE Year.⁶ The Company calculates the 2021 Projected Factor revenue requirement to be \$2,325,231⁷ and the 2021 True-Up Factor revenue requirement to be a credit of \$73,360,⁸ for a combined 2021 SAVE Plan

³ *Id.* at 3.

⁴ *Application of Roanoke Gas Company, For approval to amend its SAVE Plan and Rider and to implement a 2019 SAVE Projected Factor Rate and True-Up Factor Rate*, Case No. PUR-2018-00102, 2018 S.C.C. Ann. Rept. 466, Order Approving SAVE Amendment and Rider (Sept. 27, 2018).

⁵ Application at 3-4.

⁶ *Id.* at 4.

⁷ *Id.* at Schedule 1 and 10.

⁸ *Id.* at Schedules 1 and 2.

revenue requirement of \$2,251,871.⁹ The 2021 SAVE Plan rate for the average residential customer using 55.2 therms per month is \$2.65 per month,¹⁰ an increase of \$1.96 over the current rate of \$0.69 for such customers.¹¹

NOW THE COMMISSION, upon consideration of Roanoke Gas's Application, is of the opinion and finds that this matter should be docketed; that the Company should provide public notice of its Application; that any interested parties should be afforded an opportunity to file comments or request a hearing on the Application; and that the Commission's Staff ("Staff") should investigate the Application and file a report containing the Staff's findings and recommendations.

The Commission further takes judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels.¹² The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.¹³

⁹ *Id.* at Schedule 1.

¹⁰ *Id.* at Schedule 17, p. 1. *See also*, Testimony of Niklas E. Banka at 7-10.

¹¹ Testimony of Niklas E. Banka at 9-10.

¹² *See, e.g.*, Executive Order No. 51, Declaration of a State of Emergency Due to Novel Coronavirus, COVID-19, issued March 12, 2020, by Governor Ralph S. Northam. *See also* Executive Order No. 53, Temporary Restrictions on Restaurants, Recreational, Entertainment, Gatherings, Non-Essential Retail Businesses, and Closure of K-12 Schools Due to Novel Coronavirus (COVID-19), issued March 23, 2020, by Governor Ralph S. Northam, and Executive Order No. 55, Temporary Stay at Home Order Due to Novel Coronavirus (COVID-19), issued March 30, 2020, by Governor Ralph S. Northam.

¹³ *See, e.g.*, *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, Doc. Con. Cen. No. 200330035, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, Doc. Con. Cen. No. 200330042, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case Nos. CLK-2020-00004 and CLK-2020-00005, Doc. Con. Cen. No. 200520101, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020);

Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of testimony and pleadings, unless they contain confidential information, and require electronic service on parties to this proceeding.

Accordingly, IT IS ORDERED THAT:

(1) The matter is docketed as Case No. PUR-2020-00090.

(2) All pleadings, briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice").¹⁴

Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.¹⁵

(3) Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission directs that service on parties and the Staff in this matter shall be accomplished by electronic means. Concerning Confidential or Extraordinarily Sensitive Information, parties and Staff are instructed to work together to agree upon the manner in which

Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency, Case No. CLK-2020-00007, Doc. Con. Cen. No. 200410009, Order Requiring Electronic Service (Apr. 1, 2020).

¹⁴ 5 VAC 5-20-10 *et seq.*

¹⁵ As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may not be processed for an indefinite period of time due to the COVID-19 emergency.

documents containing such information shall be served upon one another, to the extent practicable, in an electronically protected manner, even if such information is unable to be filed in the Office of the Clerk, so that no party or the Staff is impeded from preparing its case.

(4) As provided by § 12.1-31 of the Code and Rule 5 VAC 5-20-120, *Procedure before hearing examiners*, of the Commission's Rules of Practice, a Hearing Examiner is appointed to rule on any discovery matters that arise during the course of this proceeding.

(5) On or before June 26, 2020, the Company shall cause a copy of the following notice to be published as display advertising (not classified) on one (1) occasion in newspapers of general circulation throughout the Company's service territory within the Commonwealth of Virginia:

NOTICE TO THE PUBLIC OF AN APPLICATION BY
ROANOKE GAS COMPANY
FOR MODIFICATION TO ITS SAVE PLAN RIDER AND
TO IMPLEMENT A 2021 SAVE PROJECTED FACTOR RATE
AND TRUE-UP FACTOR RATE
CASE NO. PUR-2020-00090

On May 15, 2020, Roanoke Gas Company ("Roanoke Gas" or the "Company") filed an application ("Application") pursuant to Section 56-603 *et seq.* of the Code of Virginia ("Code"), known as the Steps to Advance Virginia's Energy ("SAVE") Plan Act, and in accordance with the State Corporation Commission's ("Commission") August 29, 2012, Order Approving SAVE Plan and Rider in Case No. PUE-2012-00030, as modified in subsequent SAVE cases. Roanoke Gas's Application seeks approval to modify its SAVE Plan, and approval of its proposed SAVE Rider, to be effective October 1, 2020, through September 30, 2021 ("2021 SAVE Year"), to permit the Company to recover the costs of its planned investments in the 2021 SAVE Year ("2021 Projected Factor") and to refund the over-collection of costs related to its 2019 SAVE projects ("2021 True-Up Factor") that occurred January 1, 2019, through September 30, 2019 ("2019 SAVE Year"). Roanoke requests that the Commission approve modification of its SAVE Plan to include the renewal of certain regulator stations and the renewal of pre-1971 coated steel mains and coated steel services.

In its Application, the Company explains that, in Case No. PUR-2018-00102, the Commission approved the Company's request to change its SAVE Plan Year from a calendar year to match the Company's fiscal year, which runs from October 1 through September 30 of each year. In order for the Company to transition to a fiscal year SAVE Plan Year, the Commission approved the Company's request to shorten its 2019 SAVE Year from calendar year 2019 to the nine-month period beginning January 1, 2019 and ending September 30, 2019. Per Roanoke Gas, the 2021 True-Up Factor requested in this Application covers that nine-month period and will true-up any difference in the revenues collected through the 2019 Projected Factor and the actual costs associated with the 2019 SAVE projects.

According to the documents and workpapers submitted by the Company, the 2021 Projected Factor is designed to recover the costs, as defined by § 56-603 of the Code, of eligible infrastructure replacement projects that will occur during the 2021 SAVE Year. The Company calculates the 2021 Projected Factor revenue requirement to be \$2,325,231 and the 2021 True-Up Factor revenue requirement to be a credit of \$73,360, for a combined 2021 SAVE Plan revenue requirement of \$2,251,871. The 2021 SAVE Plan rate for the average residential customer using 55.2 therms per month is approximately \$2.65 per month, an increase of \$1.96 over the current rate of \$0.69 for such customers.

The details of these and other proposals are set forth in the Company's Application. Interested persons are encouraged to review the Company's Application and supporting exhibits for the details of these proposals.

TAKE NOTICE that the Commission may adopt rates that differ from those appearing in the Company's Application and supporting documents and may apportion revenues among customer classes and/or design rates in a manner differing from that shown in the Application and supporting documents.

The Commission entered an Order for Notice and Comment that, among other things, directed the Company to provide notice to the public and provided interested persons an opportunity to comment on the Company's Application.

The Commission has taken judicial notice of the ongoing public health emergency related to the spread of the coronavirus, or COVID-19, and the declarations of emergency issued at both the state and federal levels. In accordance therewith, all pleadings,

briefs, or other documents required to be served in this matter should be submitted electronically to the extent authorized by 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure ("Rules of Practice"). Confidential and Extraordinarily Sensitive information shall not be submitted electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. For the duration of the COVID-19 emergency, any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.

Pursuant to 5 VAC 5-20-140, *Filing and service*, of the Commission's Rules of Practice, the Commission has directed that service on parties and the Commission's Staff in this matter shall be accomplished by electronic means. Please refer to the Commission's Order for Notice and Comment for further instructions concerning Confidential or Extraordinarily Sensitive Information.

Interested persons may download unofficial copies of the Application from the Commission's website:

<https://scc.virginia.gov/pages/Case-Information>. Copies of these documents also may be obtained, at no charge, by submitting a written request to counsel for the Company: Timothy E. Biller, Esquire, and James G. Ritter, Esquire, Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, or TBiller@HuntonAK.com or RitterJ@HuntonAK.com.

On or before July 24, 2020, any interested person wishing to comment on the Company's Application may file written comments on the Application with the Clerk of the Commission by following the instructions on the Commission's website:

<https://scc.virginia.gov/casecomments/Submit-Public-Comments>. Compact discs or any other form of electronic storage medium may not be filed with the comments. All such comments shall refer to Case No. PUR-2020-00090.

Any person or entity may participate as a respondent in this proceeding by filing, on or before July 24, 2020, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to Rule 5 VAC 5-20-80, *Participation as a respondent*, of the

Commission's Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent shall be represented by counsel as required by Rule 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00090. For additional information about participation as a respondent, any person or entity should obtain a copy of the Commission's Order for Notice and Comment.

On or before July 24, 2020, any interested person or entity may file, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a request that the Commission convene a hearing on the Application. Requests for a hearing shall refer to Case No. PUR-2020-00090 and shall include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter.

A copy of any notices of participation and requests for hearing simultaneously shall be sent to counsel for the Company electronically at the email address set forth above.

The Commission's Rules of Practice may be viewed at the Commission's website: <https://scc.virginia.gov/pages/Rules-of-Practice-and-Procedure>.

ROANOKE GAS COMPANY

(6) On or before June 26, 2020, Roanoke Gas shall serve a copy of its Application and this Order for Notice and Comment on the following local officials, to the extent the position exists, in each county, city, and town in which Roanoke Gas provides service in the Commonwealth of Virginia: the chairman of the board of supervisors of each county; the mayor or manager (or equivalent official) of every city or town; and the county, city, or town attorney. Service shall be made electronically where possible; if electronic service is not possible, service

shall be made by either personal delivery or first class mail to the customary place of business or residence of the person served.

(7) On or before July 10, 2020, Roanoke Gas shall file proof of the notice and service required by Ordering Paragraph (5) and (6) with the Clerk of the Commission.

(8) On or before July 24, 2020, any interested person or entity may file written comments on Roanoke Gas' Application with the Clerk of the Commission by following the instructions on the Commission's website: <https://scc.virginia.gov/casecomments/Submit-Public-Comments>. Compact disks or any other form of electronic storage medium may not be filed with the comments. All comments shall refer to Case No. PUR-2020-00090.

(9) On or before July 24, 2020, any interested person may participate as a respondent in this proceeding by filing, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a notice of participation in accordance with the Commission's Rules of Practice. Such notice of participation shall include the email addresses of such parties or their counsel. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization, corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2020-00090.

(10) On or before July 24, 2020, any interested person or entity may file, with the Clerk of the Commission at: <https://scc.virginia.gov/clk/efiling/>, a request that the Commission convene a hearing on the Company's Application. Requests for hearing must include: (i) a

precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No. PUR-2020-00090.

(11) A copy of any requests for hearing and notices of participation simultaneously shall be sent to counsel for the Company, Timothy E. Biller, Esquire, and James G. Ritter, Esquire, Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, or TBiller@HuntonAK.com or RitterJ@HuntonAK.com.

(12) The Staff shall investigate the Application. On or before August 14, 2020, the Staff shall file with the Clerk of the Commission a Staff Report containing its findings and recommendations and promptly shall serve a copy of the same on counsel to the Company and all respondents.

(13) On or before August 28, 2020, Roanoke Gas may file with the Clerk of the Commission any response in rebuttal to the Staff Report, requests for hearing, and any comments filed by interested persons in this proceeding.

(14) All documents filed with the Office of the Clerk of the Commission in this docket may use both sides of the paper. In all other respects, all filings shall comply fully with the requirements of 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice.

(15) The Company shall respond to written interrogatories or requests for the production of documents within four (4) calendar days after the receipt of the same. In addition to the service requirements of 5 VAC 5-20-260, *Interrogatories or requests for production of documents and things*, of the Rules of Practice, on the day that copies are filed with the Clerk of the Commission, a copy of the interrogatory or request for production shall be served

electronically on the party to whom the interrogatory or request for production is directed or the assigned Staff attorney, if the interrogatory or request for production is directed to the Staff.¹⁶ Except as so modified, discovery shall be in accordance with Part IV of the Commission's Rules of Practice.

(16) This matter is continued.

A COPY HEREOF shall be sent electronically by the Clerk of the Commission to: Timothy E. Biller, Esquire, and James G. Ritter, Esquire, Hunton Andrews Kurth LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219, TBiller@HuntonAK.com and RitterJ@HuntonAK.com; and C. Meade Browder, Jr., Senior Assistant Attorney General, Division of Consumer Counsel, Office of the Attorney General, 202 N. 9th Street, 8th Floor, Richmond, Virginia 23219, MBrowder@oag.state.va.us. A copy hereof also shall be sent to the Commission's Office of General Counsel and Divisions of Public Utility Regulation, Utility Accounting and Finance, and Utility and Railroad Safety.

¹⁶ The assigned Staff attorney is identified on the Commission's website, <https://scc.virginia.gov/pages/Case-Information>, by clicking "Docket Search," then clicking "Search by Case Information," and entering the case number, PUR-2020-00090, in the appropriate box.